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2005 SEP 16 AM 9 51

September 13, 2005

FDIC – San Francisco Regional Office
Regional Director John F. Carter
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 94105

Dear Mr. Carter:

Unity Bank North is strongly opposed to Wal-Mart's application for FDIC insurance. Their entry into banking would be an inappropriate mixing of business and commerce, which we believe, would not serve the best interests of the public.

In its application, the business plan for the industrial loan company is limited and does not contemplate full-service banking. Because Wal-Mart's previous attempts to get into banking were less limited in scope, there can be little doubt that they will grow over time into a full-service banking service at retail locations across the country. This application for deposit insurance is the appropriate place to limit Wal-Mart's entry into banking.

Minnesota has an exceptional tradition for community banking. This application threatens the community banks that are vital to their communities. Community banks are a mainstay of their communities, from a financial standpoint and also from a community involvement standpoint. Very little economic growth and development happen without the support of the local bank. Local deposits fund consumer and business loans in the community. Bankers spend time working on community development and volunteering in their communities. The success of their communities is of great importance to these bankers.

Wal-Mart, through its aggressive expansion, has become the largest retail business in the world. They have, as a result of low pricing, forced the decrease of the small retail business in rural America. Wal-Mart, as an organization, has started a "Super" Wal-Mart store in Thief River Falls, a community that is 16 miles north of Red Lake Falls. The local retailers for several surrounding communities are very concerned with the impact of this store. We also have four (4) "Super" Wal-Marts, all within 85 miles of Red Lake Falls.

Wal-Mart will not use their funds as the local banks do to support the growth and expansion of our local economies. They will transfer all funds immediately to their

corporate offices for investment purposes. This would be a detriment to our small rural communities as much needed capital and loan funds would leave the area.

Federally insured deposits have increased over the past few years. Much of that increase was from new, large depositories. These new financial institutions have never paid insurance premiums for their federal deposit insurance coverage, but they are enjoying the benefits of deposit insurance. That situation is not fair to all the banks that did have to pay a lot of money to capitalize the funds. Adding another new, huge financial institution that will benefit from federal deposit insurance is wrong.

The risks associated with changing the policy of separating banking and commerce are very real. Because Wal-Mart is such a large entity, those risks would increase significantly. Unity Bank North of Red Lake Falls, Minnesota urges the FDIC to reject Wal-Mart's application for federal deposit insurance.

If you have any questions or comments, please feel free to contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Allen M. Bertilrud". The signature is written in a cursive, somewhat stylized font.

Allen M. Bertilrud
President

AMB: hmr